

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

March 6, 1986



ALL-COUNTY INFORMATION NOTICE I-21-86

TO: ALL COUNTY WELFARE DIRECTORS
DIRECTOR, STATE MENTAL HEALTH
ALL COUNTY MENTAL HEALTH DIRECTORS

SUBJECT: Interim Assistance Reimbursement (IAR) Program

REFERENCE: MPP EAS 46-337

This notice is regarding an irregular payment procedure some counties have adopted in their administration of the recipient's Supplemental Security Income/State Supplementary Program (SSI/SSP) benefit check which they receive under the IAR agreement. This procedure results in the county's disbursement of the recipient's share of the retroactive benefit payment in care of the recipient's attorney. This is oftentimes a county's practice when an attorney has represented a recipient in connection with a denial or termination of SSI/SSP benefits. Notwithstanding the recipient's authorization to do this or the fact that some of the funds are maintained in an attorney's trust account until a fee payment authorization is made, the attorney receives the check before the recipient. Consequently, the attorney can govern the circumstances under which the recipient receives the check and the recipient is deprived control of his benefits.

The Social Security Administration (SSA) has informed the state that these practices are in violation of the Social Security Act and could result in the revocation of the state/federal IAR agreement. Moreover, authorized representatives must obtain SSA's approval for any fees they collect for services in connection with SSA claims. The direct payment of fees is not appropriate in Title XVI (SSI/SSP) cases. California W&I Code 17403.1 provides that the attorney's fees for SSI/SSP appeals may be paid by the county, but shall not be recoverable from the recipient's share of the initial benefit payment.

If you have any questions regarding the IAR program, please contact the Adult Program Management Bureau at (916) 324-4184.

Robert A. Horel

for ROBERT A. HOREL
Deputy Director

cc: Greg Kimberlain, SSA, Region IX
Dick Small, SSA, Region IX